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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

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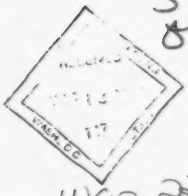

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FORM 10-Q
Quarterly Report

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to Section 13 or 15 (d) of the
rities Exchange Act of 1934

For Quarter ended December 31, 1991
Commission File 2-15689

STATE RECREATION, INC.
FORMERLY
STATE INDUSTRIES
(exact name of Registrant, as specified on charter)

CALIFORNIA (State or other jurisdiction of incorporation or organization)	95-183 1167 (Internal Revenue Service Employer Identification No.)
3383 East Gage Avenue Huntington Park, California (address of Principal executive offices)	90255 (Zip Code)

213-583-0901
(Registrant's Telephone Number, including Area Code)

The registrant has filed all annual, quarterly and other reports required to be filed with the Commission and has been subject to the filing requirements for at least the past 90 days. Yes X No

STATE RECREATION, INC.
COMPARATIVE BALANCE SHEET
AT DECEMBER 31,,1991
(UNAUDITED)

	DECEMBER 31, 1991	1990
ASSETS		
Current Assets		
Cash on Hand and in Bank	$ 111,704	$ 83,554
Investments	260,639	586,778
Accounts Receivable	137,458	55,599
Inventories	187,708	234,776
Prepaid Expenses	43,427	27,746
Total Current Assets	$ 740,936	$ 988,453
FIXED ASSETS		
Plant and Equipment	$ 477,839	$ 347,512
Less: Accumulated Depreciation	273,947	249,851
Net Fixed Assets	$ 203,892	$ 97,661
DEPOSITS	$ 23,110	$ 24,018
TOTAL ASSETS	$ 967,938	$1,110,132
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable	$ 170,157	$ 172,820
Accrued Liabilities	17,427	32,211
Contingent Liabilities	16,464	16,753
Total Liabilities	$ 204,048	$ 221,784
LONG TERM LIABILITIES	-0-	-0-
TOTAL LIABILITIES	$ 204,048	$ 221,784
STOCKHOLDERS EQUITY		
Common Stock - issued & outstanding	$ 255,237	$ 255,237
Less Treasury Stock	229,506	211,184
Net Stock outstanding	$ 25,731	$ 44,053
Contributed Capital	518,634	518,634
Retained Earnings	219,525	325,661
Total Equity	$ 763,890	$ 888,348
TOTAL LIABILITIES AND EQUITY	$ 967,938	$1, ,132

STATE RECREATION, INC.
COMPARATIVE STATEMENT OF INCOME
FOR THE THIRD QUARTER, ENDED DECEMBER 31, 1991
(UNAUDITED)

	Quarter ended DECEMBER 31,	
	1991	1990
NET SALES	$ 125,496	$ 84,669
COST OF SALES	124,581	100,688
GROSS PROFIT	$ 1,160	$(16,019
OPERATING EXPENSES		
SELLING AND ADMINISTRATIVE	66,581	70,654
INCOME FROM OPERATIONS	$(65,421	$(86,673
OTHER INCOME (EXPENSE)		
INTEREST INCOME & (EXPENSE)	$ 234	$ 2,913
DIVIDEND INCOME	1,803	11,867
CAPITAL EQUIPMENT SALES	--	139,799
ROYALITIES - VECP	--	--
MISCELLANEOUS	10,547	70,118
TOTAL OTHER INCOME & (EXPENSE)	$ 12,584	$ 219,131
INCOME BEFORE TAXES	$(52,837	$(130,822
PROVISION FOR INCOME TAXES	-0-	-0-
NET INCOME (LOSS)	$(52,837	$(130,822
EARNING (LOSS) PER SHARE		
TOTAL SHARES OUTSTANDING	$ 453,452	$ 453,452
LESS TREASURY SHARES	162,634	148,568
NET SHARES OUTSTANDING	$ 290,818	$ 304,884
EARNINGS PER SHARE (NET)	$(0.543	$(0.429

STATE RECREATION, INC.
STATEMENT OF CASH FLOW
AT DECEMBER 31, 1991
(UNAUDITED)

	DECEMBER 31, 1991	DECEMBER 31, 1990
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income	$(158,013	$ (18[illegible]349
Non-cash items included in net income		
Depreciation	23,804	18,347
Net gain on sale of Fixed Assets	--	--
Net gain (Loss on sale of marketable Securities	(520	61,436
Net increase (decrease) in Receivables, Inventories, Prepaid, and Other Assets and Payables	142,489	(108,452
Net Cash provided by Operations	$ 7,760	$ (218,518
CASH FLOW FROM INVESTING ACTIVITIES		
Increase (decrease in Dividends and Interest Receivable	$ 17,588	$ 30,019
Increase (decrease in Payable to Brokers	-0-	-0-
Acquisition of Property and Equipment	112,853	(43,525
Proceeds from sale of Fixed Assets	-0-	-0-
Proceeds from sale of Marketable Securities	42,558	1,521,196
Purchase of Marketable Securities	43,078	(1,366,465
Net Cash provided by Invested Activities	$ 129,921	$ 141,225
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (decrease in due from Officer)	$ 46,351	$ (121,664
Purchase of Treasury Stock	18,322	(8,658
NET INCREASE IN CASH	$ 73,008	$ (53,029
CASH AT BEGINNING OF PERIOD	$ 85,005	$ 136,583
CASH AT END OF PERIOD	$ 158,013	$ 83,554

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunto duly authorized.

STATE RECREATION, INC.

By
Arthur E. Haskell, President

Dated FEBRUARY 28, 1992